



COMMUNITY DEVELOPMENT DEPARTMENT

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PLANNING COMMISSION MEETING MINUTES

REGULAR MEETING

APRIL 22, 2008

PRESENT: Davenport, Lyle, Mueller, Tanda

ABSENT: Acevedo, Escobar

LATE: Koepp-Baker, who arrived and was seated on the dais at 6:57 p.m.

STAFF: Community Development Director (CDD) Molloy Previsich, Planning Manager (PM) Rowe, Senior Civil Engineer (SCE) Creer, and Minutes Clerk Johnson
Also present Consultant to the Planning Department, David Bischoff; and Department of Public Works personnel noted under item 4

Note: Due to absences and requests, Commissioner Mueller was approved as Chair for the meeting.

Chair Mueller called the meeting to order at 6:37 p.m., inviting all present to join in pledge of allegiance to the flag.

DECLARATION OF POSTING OF AGENDA

Minutes Clerk Johnson certified that the meeting's agenda was duly noticed and posted in accordance with Government Code Section 54954.2.

Chair Mueller announced a change in the agenda, with items being heard in this order: 3, 4, 1, 2, and 5

The minutes of April 8, 2008 will be presented at the May 13, 2008 meeting.

OPPORTUNITY FOR PUBLIC COMMENT

Chair Mueller opened the floor to public comment for items not appearing on the agenda.

With no one present indicating a wish to address matters not appearing on the agenda, the public hearing was closed.

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PUBLIC HEARING:

3) RDCS QUARTERLY REPORT

Quarterly review of the progress of residential projects that have been awarded building allocations under the City's Residential Development Control System.

PM Rowe presented the staff report, noting that the RCDS Quarterly Report is for monitoring the progress of approved projects, or to consider action for lack of progress.

The following projects were discussed:

- Commissioner Lyle requested staff to meet with representatives of Depot-The Granary as no action was reported for the past six months, with extensions having been granted earlier. PM Rowe said he would meet with the project applicants.
- Diana-Chan Phase 1 plans and the soils survey have been submitted.
- Ginger Murray environmental work is in progress.

Chair Mueller said it would be valuable in order to get a handle on timing of the projects, which have been delayed, e.g., commence construction, and asked for a spreadsheet as another piece of information the Commissioners need to see. PM Rowe said he would work on having that done, and continue to work on obtaining sales information that will be updated next month.

Chair Mueller commented that, while it was not a huge concern, the City was nearing the end of the year with almost two years of allocations outstanding, and that there were a large number that 'don't even have building permits'. Commissioner Lyle agreed and said that when the Department of Finance numbers are distributed, the City will need a reflection of that in the calculation for the building allotment in the next competition. Chair Mueller reminded that Measure C contains language regarding having Department of Finance numbers match City records.

Chair Mueller opened, and then closed, the public hearing, as there were none present to address the matter.

COMMISSIONERS DAVENPORT/LYLE MOTIONED TO ACCEPT AND APPROVE THE RDCS FIRST QUARTER REPORT OF 2008 AS PRESENTED, WITH THE DOCUMENT SUBSEQUENTLY BEING FORWARDED TO THE CITY COUNCIL THE MOTION PASSED (4-0-0-3) BY THE FOLLOWING VOTE: AYES: DAVENPORT, LYLE, MUELLER, TANDA; NOES: NONE; ABSTAIN: NONE; ABSENT: ACEVEDO, KOEPP-BAKER, ESCOBAR.

The following staff were present for presentation of the five-year CIP: Director of Public Works (DPW) Jim Ashcraft, Deputy Director of Public Works (DDPW) Karl Bjarke, Senior Civil Engineer (SCE) Julie Behzad, and Technician Jake Jensen; Julie Spier, Community Services & Planning Manager was also present.

4) FINDING OF GENERAL PLAN CONSISTENCY FOR DRAFT FY

The Planning Commission is requested to review the draft Five-Year Capital Improvements Program (CIP) for consistency with the adopted General Plan.

SCE Behzad presented the Capital Improvement Plan (CIP), which had been distributed two weeks and informally presented by DDPW Bjarke in January. SCE Behzad pointed

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2008/09 – 2012/13

CAPITAL IMPROVE- MENTS PROGRAM (CIP)

out that a memo had been distributed which was summary of comments and prepared answers. She noted that a PowerPoint presentation had been made to the Parks and Recreation Commission the previous week and proceeded to introduce the same information to the Commissioners. SCE Behzad reminded that the Commissioners were being asked to review the CIP and consider if it was consistent with the City's General Plan.

Commissioner Koepp-Baker arrived and was seated on the dais at 6:57 p.m.

Special interest emphasis was discussed regarding:

- work anticipated downtown, including street renovation, parking, signage, and the effects of land use in the downtown area [Commissioners suggested that Llagas Creek be brought to the surface in the downtown area as part of a project to create a nice linear pathway for pedestrians]
- purchase of parklands/ maintenance of parks (Ms. Spier emphasized the intent to purchase/acquire parklands)
- intent to increase City budget for parks
- administrative costs
- Aquatic center open soon (Delete)
- Llagas Creek PL566 [work for 2012-13 in phase 4 is contingent on SCVWD acquisition of property]
- Skateboard park: phase 1 will soon begin
- Galvan Park – plans for 2008-09 security lighting
- acquisition of el Toro open space/trail is a focus for 2009-10 (City just purchased 18.5 acres with a goal of building an earth trail all way up the mountain, utilizing volunteers to construct)

Because public hearing items had been noticed, this item was suspended and the announced order of the agenda was resumed.

1) DAA-06-06B/ DSA-06-01B: MONTEREY- GUNTER

A request to amend the project development agreement and development schedule for a 15-unit mixed-use residential project. The amendments will allow up to 18 additional months to commence construction on the 15 residential units and will extend the dates for other development milestones. The project site is approximately one acre in size and is located at 17620 Monterey Rd, approximately 100 feet north of Main Ave. in the CC-R Zoning District.

PM Rowe advised that the applicant was unable attend and had asked that the matter be continued to the next meeting.

Chair Mueller opened, and then closed, the public hearing, as there was no one in attendance to speak to the matter.

COMMISSIONERS DAVENPORT/ KOEPP-BAKER MOTIONED TO CONTINUE THE MATTER OF DAA-06-06B/ DSA-06-01B: MONTEREY-GUNTER TO THE PLANNING COMMISSION MEETING OF MAY 13 2008. THE MOTION CARRIED WITH THE UNANIMOUS AFFIRMATIVE VOTE OF ALL COMMISSIONERS PRESENT; ACEVEDO AND ESCOBAR WERE ABSENT.

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2) UP-08-01: DIGITAL- CREMA

A request to allow a children's commercial recreational facility to include inflatable jump and play equipment with ancillary playrooms for the purpose of birthday parties and special occasions located at 285 Digital Dr.

PM Rowe presented the staff report for this conditional use permit (CUP) request, advising of the location. "This will be a private indoor facility with a CUP to operate Pump It Up, a private commercial facility for children's recreational and parties uses. The business will not be open to public on drop-in basis. Maximum occupancy will be 68 with a staff of five," he said. PM Rowe went on to speak to the business plan:

- a bounce house will be incorporated into the plan
- there will be two activity rooms, making two events possible simultaneously
- 2 hour events scheduled every 90 minutes
- findings have been made (page 2/staff report) regarding:
 - * suitability of site
 - * traffic – low generator of traffic trips (about 202 per day at full capacity)
 - * parking – studies have been completed; currently there are 34 parking stalls; maximum needed for business is 27, so additional will be for guests)
 - * no alterations needed to building
 - * no adverse effects to environment
 - * known compatibility with existing and proposed development; no hazardous material storage either on-or-off site

PM Rowe noted that surrounding uses include:

- electronics manufacturer
- offices: medical, dental, insurance
- industrial condos nearby

PM Rowe called attention to a minor change on page 2 of Exhibit A (D).

Chair Mueller asked if there were needed changes in the current permits for existing businesses. [No]

Commissioner Davenport said, "This is in an industrial park and this is a more intense activity – is there any concern about {emergency} response time and the time now set up for industrial uses. Since this will contain children, it may need more attention." PM Rowe reminded, "This is not a drop-in facility and policy/fire personnel have had the opportunity to comment on the plans."

Chair Mueller reminded that the Commission commonly asks for an evacuation plan in the resolution. PM Rowe read the {included} Conditions of Safety, which are required with other recreational industrial facilities.

Chair Mueller opened the public hearing.

Commissioner Lyle noted the attendance of the applicant and said he had questions.

Larry Crema, 1775 W. Hacienda Ave., Campbell, was present and spoke from the podium.

Commissioner Lyle asked about the reference to a 'corporate event' in the letter within the

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application. Mr. Crema said, "Pump It Up is for a maximum age of 'teens'," and went on to explain that two events could occur at the same time: one in the enclosed bounce arena (with four inflatable jump houses), and another for a separate group of children in a 'party room'. He explained that a corporate event for adults is usually a team building exercise involving 10 or fewer persons could be compared to a birthday celebration.

Commissioner Koepp-Baker asked if food would be prepared on-site. Mr. Crema explained that was against corporate policy and would not occur. He did say that food brought in would be limited to the party room.

Turning to questions of how many employees would be on-site, Mr. Crema explained intent to have 5 – 10 employees (mostly local teens) for two simultaneous parties.

Commissioner Koepp-Baker inquired as to the potential for part-time employees participating in a training program. Mr. Crema provided a brief overview of the corporation's training plan. Chair Mueller spoke on the need for having emergency care training. Mr. Crema said all employees would be required to view a safety video before starting work.

As to hours of operation, Mr. Crema said the business would be opened mainly Friday – Sunday. He spoke of having the employees be part-time as many teens are employed at other jobs, as well. Commissioner Mueller indicated concerned of the ratio of children to employees.

Mrs. Jenner Crema, co-partner in the business, was present and said, "The employees will have the safety video to watch, but it is important to remember that almost always all the parents stay on-site during the activities.

With no other members of the audience indicating a wish to speak to the matter, the public hearing was closed.

Commissioners discussed the need to identify limitation of corporate events. Ms. Crema spoke from the audience asking that, if necessary, a limit be placed on the number of cars so that the parking was ensured. Commissioner Lyle concurred, with other Commissioners agreeing, that the wording in Exhibit 2, should include an item F: corporate events are not applicable to actual numbers of company employees, with limitations to be noted that parking spaces may not be exceeded.

COMMISSIONER KOEPP-BAKER OFFERED A RESOLUTION, INCLUSIVE OF THE FINDINGS AND CONDITIONS CONTAINED THEREIN, AND WITH THE AMENDMENT NOTED DURING DISCUSSION, APPROVING A CONDITIONAL USE PERMIT TO ALLOW FOR THE OPERATION OF A PRIVATE INDOOR COMMERCIAL RECREATION FACILITY FOR PRIVATE SPECIAL EVENTS LOCATED AT 285 DIGITAL DR., LOCATED IN THE LIGHT INDUSTRIAL ZONING DISTRICT. COMMISSIONER DAVENPORT SECONDED THE MOTION, WHICH PASSED (5-0-0-2), BY THE FOLLOWING VOTE: AYES: KOEPP-BAKER, DAVENPORT, LYLE, MUELLER, TANDA; NOES: NONE; ABSTAIN: NONE; ABSENT ACEVEDO, ESCOBAR.

Chair Mueller reminded that the CUP would become valid in 30 days absent an appeal.

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Item 4 was taken up again at this point.

4) FINDING OF GENERAL PLAN CONSISTENCY FOR DRAFT FY 2008/09 – 2012/13 CAPITAL IMPROVE- MENTS PROGRAM (CIP) (con't)

SCE Behzad resumed explanation of specific projects within the CIP.

Commissioner Tanda asked for explanation of Administrative Costs for several projects, with SCE Behzad detailing staff managing consultant/architectural and in-project costs, e.g., demolition, environmental mitigations, etc.

Other items addressed were: the success of the Centennial Recreation Center including the fitness center where expansion is strongly suggested. Julie Spier said the expansion of that facility might be at the Aquatic Center.

Commissioner Lyle thanked staff for answering the questions he had submitted in rejoinder to the staff report. Responding to a question from Commissioner Lyle about impacts to operating budgets (Crest Avenue area benefit), which he had thought were bottom line to the City budget, SCE Behzad explained that the agencies pay their own electrical billings, so no benefit to the City should be shown. Commissioner Lyle spoke on the need for another (a third) fire station and the potential of annexation of another Fire District to the City. "If those annexations do not occur, we won't have the third fire station and I definitely think we need a third fire station." Chair Mueller agreed, expressing distress that a District's tax would not go to the City but the County.

Chair Mueller referenced the marquee sign for the Community Center, saying a better one is definitely needed better while expressing disagreement with the location. "That location is a distracter. I strongly suggest you go to the ends of the property, so the signage is off the intersection and provides better reading." DPW Ashcraft suggested that in conjunction with the study of the location of the signage, the location of a community tree residents want for downtown be taken under consideration.

SCE Behzad announced that the Third Street Water and Sewer replacement was being deleted as the City had just completed the bid opening for the project. "It is scheduled to start 2007-08 but will be completed within the next fiscal year," she said.

Considerable discussion occurred regarding water and wastewater plans. DPW Ashcraft spoke on the potential for use of (recycled) grey water. Responding to questions, DPW Ashcraft also briefed the Commissioners on:

- river discharge plan - two mile pipeline south so if tertiary to river only this would deal with the flood waters; it is now under construction so the City will see better use during heavy rain fall
- limitations for discharge built into permit of aggrading flow
- only two lift stations remain to be upgraded in the City
- water main replacement could 'go on forever' with installation staggered every other year
- public outreach efforts
- downtown signage
- City Council has not determined what to do on entry statement
- work on Downtown Master Plan parking [if later a garage is needed, it will be important not have to rip up current work in progress]

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Commissioners asked questions regarding:

East side of Monterey from Madrone to Burnett: concern more High School students walking here{SCE Creer said Scott Schilling along with South County Housing has submitted plans and doing the work for curbs, gutters, and sidewalks. Public Works, he said, may complete some of the work, as well}

Regarding fiscal matters for the CIP, SCE Behzad said a high priority goal is to pursue grants. DDPW Bjarke reminded that RDA monies can only be spent in the RDA area. Under funding of many of the projects was listed as a 'worry'.

Commissioner Tanda expressed an opinion that the City should invest \$1 – 1.5 million in order to meet the needs of the CIP on an annual basis. Regarding the need for better synchronization of lights on Cochrane, Commissioner Tanda said this could be a high priority.

Chair Mueller opened, and then closed, the public hearing as there was no one in attendance to speak to the matter.

COMMISSIONER DAVENPORT OFFERED A RESOLUTION, FINDING THAT AS A WHOLE, THE PRESENTED CIP WAS CONSISTENT WITH THE GENERAL PLAN; WITH THE ADDITION OF SPECIFIC LANGUAGE, INCLUSIVE OF A BUDGETED AMOUNTS FOR THE IDENTIFIED SHORTFALLS, DUE TO RESTRICTIONS ON GASOLINE TAX, AND WITH MODIFICATIONS TO SECTION 4 TO INCLUDE FURTHER ACTION FOR THE FOLLOWING:

- **acquiring of parking and development of maintenance to meet parks per 5,000 population requirement**
- **staffing and building of third fire station**
- **increased maintenance of streets**
- **accelerate timing and coordination on Cochrane signal synchronization**
- **others listed under staff advisement, e.g., north Monterey Road.**

in addition, enhance SECTION 5 by asking the City Council to look into development of a longer-range fiscal planning methodology (suggest 20 years); Commissioner Koepp-Baker termed it a 'how-to-do' document.

COMMISSIONER TANDA SECONDED THE MOTION, WHICH PASSED (5-0-0-2), BY THE FOLLOWING VOTE: AYES: KOEPP-BAKER, DAVENPORT, LYLE, MUELLER, TANDA; NOES: NONE; ABSTAIN: NONE; ABSENT: ACEVEDO, ESCOBAR.

Chair Mueller commended the staff of Public works for presenting a 'much better process this year'.

5) SOUTHEAST QUADRANT AND AGRICUL- TURAL MITIGATION POLICIES RECOMMEN-

Community Development Director Molloy Previsich presented the staff report.

Commissioner Mueller opened the public hearing.

The following speakers addressed issues and concerns during the public comment period: George Chiala, 15500 Hill Road, said he was opposed to having the Chiala lands designated for agricultural use and excluded from the Urban Limit Line (ULL). "I don't

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DATION TO CITY COUNCIL

want to be locked in an ag preserve with no choices,” Mr. Chiala said. He went on to say the subject property contains a historic house that is listed on the National Register. “We definitely want to be included within the ULL,” he declared. “We want to preserve the property in a way that maintains its historical values. We can’t do that if we are locked in to an ag preserve through the City or the County. We need income in order to preserve the house. We now have a 200-foot strip in the City limits, which was annexed as a favor to bring the Hill Country property into the City. We want to put some nice, estate type homes along that strip.”

Mr. Chiala went on to explain that the property has natural resources as Tennant Creek and Foothill Creek borders the property, with Corallites Creek also being on-site. “With the rolling hills, we want to do a planned development, and we would like the property to be in the City.

Commissioner Mueller asked where the current ULL is in that area. [Cary Avenue]

Commissioner Lyle asked if the family would be willing to sell its property. Mr. Chiala responded, “The land we have is worth far more than the staff report indicates. We know that land in the area – and other lands like ours – sells for more than \$100,000 an acre. The land has already been subdivided into 10-acre lots. We want to do something other than one home per 10-acres.”

Responding to a question from Commissioner Lyle, Mr. Chiala explained that his family has been farming for four generations, and they have ‘about 300 acres’ under cultivation, with some being ‘just grain or pasture land’. Mr. Chiala went on to explain that the income varies: “If we rent it out, we get \$150 – 250 per acre.”

Mr. Chiala then clarified the importance of crop rotation and spoke to the differences between ‘high versus low value crops’, noting that on some of the land, we can get about \$300 – 500 per acre, depending on the crop. Our cash crops are usually peppers, but we need to rotate with grains and beans. The estate,” he said, “consists of about 30 – 40 acres with the house.”

Commissioner Koepp-Baker asked, “What would it take, in terms of today’s dollars, to make the historic estate more open to the public? How could it be turned into a destination?” Mr. Chiala said he was not aware of the exact amount required, but ‘the six of us are supporting it {the estate} now’. Commissioner Koepp-Baker continued: “If the City designates your property for ag use and wants to buy a certain amount (of acreage), would that be acceptable?” Mr. Chiala replied, “We would have to know the exact purchase price. It would have to be taken back to the family.”

Tim Chiala (no address provided), identified himself as George Chiala’s son. Mr. Chiala advised he farms half of the ranch. “By putting this area in ag preserve, neither the Chiala family or Morgan Hill will benefit – it could all end up in 8 – 10 acre lots. We currently farm in Morgan Hill, Gilroy, and Hollister. This location is more challenging. I think the community is looking for ‘landscape ag’. Commercial production is no longer in Morgan Hill. There is no agriculture infrastructure in the area.” Mr. Chiala went on to explain that most of his income (and he stressed he went to school to study agriculture) came from the family-owned processing plant, utilized for dicing and freezing the product grown. “I did the farmer’s markets where I was lucky to sell 6 – 20 boxes at a good price. However, if I

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raise beans, I can get 500 boxes per acre. The neighborhood community objects to the truck traffic, dust, and noise to nearby homes. Agriculture is moving away because of that,” Mr. Chiala said. “Agriculture for peppers, etc., needs large coolers. We have one in Morgan Hill. The next nearest is Uesugi’s on Highway 25, then the next is in Salinas.” Responding to a question, Mr. Chiala said he leases the family farm for \$250 per acre – and advised he gets ‘about \$1,000 profit from every 10 acres’. Mr. Chiala said he was in favor of ag easements, ag preserves, etc.,. “But realistically, we have a lot of 10-acre rocky parcels,” he said. “It is really a struggle to farm our land versus 200-aces in San Benito. Do you want to impose the burden of preserving that land on new urban development? Just give us the opportunity to work with the City and the community to understand how the farm works and what the community wants, then work within that scenario to see what works for the Chiala family.”

Commissioner Lyle asked if he saw any of the factors that affect ag improving within the next 10 years. Mr. Chiala responded, “No. Look at the trend: there are no new farms coming to town.”

Bill Chiala, 16860 Gallup Rd., advised the Chiala family is working on a Planned Development, having hired a Planner. “We don’t want to just throw something together,” he said. “We want to be part of the City and do a nice job. We don’t want to put in ag if it is not viable or feasible.”

Fran Chiala Lauridsen, 2880 Tennant Ave., said she does the bookkeeping and ‘keeps house’, etc. “This is not ag land,” she declared. “The soil is not good. There are neighbors all around. Tractors produce dust. There are water problems, with the water draining into their yards. Some of the land is irrigated with wells, making the PG&E bills very large, even at ag rates,” Ms. Chiala Lauridsen said. “We want to develop some recreation/leisure uses with maybe a conference center, and polo or cricket fields.”

Monique Wood, 325 South 1st St., San Jose, was present to speak to the proposed High School project. Ms. Wood said that from a policy standpoint the high school proponents want to better understand the issues of ag viability and feasibility. Such issues, she said, could be a burden on surrounding projects which might in turn become non-viable or not feasible, if the ag preservation fees were high. “If it is determined that such a plan would not be viable, what would the next step be before a new General Plan amendment?” she asked. “As an applicant, I need to understand.”

Eric Carruthers, 1527 Niles Ave., San Jose, presented a distributed letter from Trixie Johnson wherein it was suggested that uses such as an ag park, containing a Community Garden might be an attractive use. Mr. Carruthers then continued: “Ag preservation has been an issue for at least 50 years here (he explained he had worked for Santa Clara County for 35 years as a Planner). We have rarely heard farmers support traditional means of ag preservation. But maybe you can bridge that gap with an ag mitigation program (with lowered agency costs). It is important to note that farmers who choose to participate in these programs often have other incomes. I do think it’s important to continue to study the feasibility (of an ag mitigation program), but in a way that generates substantial funds for the program.”

Joe Aiello, 14695 Secretariat Ct., told the Commissioners he is the owner and President of Uesugi Farms, which has been a farming operation since 1972. Mr. Aiello said that due to

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constraints, he has expanded most of his operations to South Santa Clara County, and also has farm business in Los Banos, Bakersfield, and Mexico. "Our problems associated with ag in this area are that we are intermixed with urban and rural urban residential development. We get complaints of dust, portable toilets, noise and water, overuse of water, containers and boxes on site. We are limited with aerial spraying. Also we have difficulty with burning of old orchards because the Air Quality Control regulations make it almost impossible to comply when burning must end by 7:00 p.m."

Mr. Aiello also explained that production ag (farming for a profit) is not feasible in the Morgan Hill area any more. "You have 200-foot buffers. You need at least 1/4 – mile buffers. Use some of your funds to buy a 1/4 – mile buffer behind the outlets. Spend your dollars there; don't worry about the hillsides and flood zones. Look at other ways that can preserve the open space," he urged. "Create a pleasing environment. There are too many nuisances that go with ag."

Mr. Aiello reminded that near-by farming operations must be disclosed in real estate transactions.

Mr. Aiello said his headquarters in this area are now on Highway 25, where he 'grows, cools, packs, and ships'. "We also still have the Pumpkin Patch in Morgan Hill which provided the opportunity for marketing and selling." He said much of the business of the Pumpkin Patch is targeted toward school tours."

Turning to land costs, Mr. Aiello said, "In 1991, you could buy land in Morgan Hill for \$10,000. Now you can't buy land here for less than \$100,000. Farmers use the value of the land to secure credit lines so we can continue farming. Banks don't lend money based on income. If you lock in zoning with ag only, then the ability to get loans goes down. It's based on the value of assets. Ag itself is too risky. Banks don't even take equipment as security any more."

Collier Buffington, 15420 Carey Lane, San Martin, spoke to the Commissioners, saying he has been working with the Chiala family, and that he personally has 'lots of background in farming and ranching'. "The land is worth between \$100,000 – \$120,000 per acre, even in this market," he said. "To even suggest designating the land as ag preserve will 'chill' any prospect of investment for the Chiala land. It seems that the process has already begun to freeze their assets. Have you been looking at other ideas to achieve what the City and County may want?" Mr. Buffington asked. "Are there other uses? Also, how would the City define agriculture? Would you want to include industrial infrastructure? Or are we after an 'ag park'? Would you want to buy it at \$120,000 an acre? And what will the City do once you have it?"

As no other persons wished to address the Commission, Commissioner Mueller closed the public hearing.

Commissioner Mueller said, there appears to be two issues:

- if the City wants an ag program, is this the type?
- is ag preservation even feasible?

Commissioner Tanda asked if an option could be included in the discussion: what is the end state the City is trying to achieve? He went on to explain that his concern with the

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proposal was: if ag land is converted, it should be mitigated. "If the City could generate funds, perhaps patterned after the Habitat Conservation Plan, to use for the purpose of ag mitigation, it could be worked into a good plan," he said. Commissioner Tanda said he also thought that if any effort was made to extract impact fees, it would not be good to use the 'LESA model'. CDD Molloy Previsich informed that the Impact Fee Study would evaluate the feasibility of an open space impact fee.

Commissioner Mueller expressed interest in Staff identified Alternate #4. "If we want a buffer between San Martin and Morgan Hill, the City should acquire it and preserve it as open space instead of ag." Commissioner Mueller went on to suggest that if an ag mitigation program is adopted, it should use the LESA model with some modifications. He suggested that a criterion that should be added to the model is the availability of ag infrastructure.

Commissioner Tanda indicated that if a buffer is to be provided, it should include land adjacent to the freeway.

Commissioner Koepp-Baker said she thought that any type of program adopted should be fair to the land owners. She said she had grown up on a farm and went on to tell of familiarity with major ag production which she said, "We do not see in Morgan Hill."

Commissioner Koepp-Baker continued, "We should create a greenbelt but it doesn't need to be 400 acres in size.

Commissioner Tanda commented that the worst example of sprawl is 5 -10 acre ranchettes. In the Salinas Valley, funding is set aside to purchase easements or purchase fee simple for lands around the boundaries. He continued by saying the ag mitigation fees could be 2:1, 1:1 or less than that. We need to find a balance between what's feasible and fair. We still need to determine what we want.

Commissioner Lyle asked "Do we want an open space buffer or an agricultural mitigation buffer? I haven't heard that ag is viable. \$60,000 – 100,000 for a buffer is too high a price, especially for land that doesn't make sense to have in ag. It is ridiculous to think of the minimal return. Commissioner Lyle went on to give a comparison of land prices around Morgan Hill and his native Iowa, where – according to local standards – prices have risen dramatically because of planting corn for ethanol, but are still only \$4300 per acre. Commissioner Lyle talked about utilizing ball fields, etc., to get the open space needed. "Ag has too high a premium," Commissioner Lyle said. "We do need to complete the CEQA study, but we don't need to presume that we will have an ag mitigation policy.

Commissioner Mueller then turned discussion to Alternative #2, suggesting establishing an open space buffer between Maple and Fisher Ave. (and not have it classified as ag preserve). "It would be good to have the City try to purchase that land, or persuade the Chiala's dedicate/conserve it in exchange for development north of the ULL," Commissioner Mueller said. He also explained an idea of classifying the area north of the suggested open space buffer as 'rural feel' to be used in accordance with the Master Plan. Commissioner Mueller urged staff to study that alternative, The 'rural feel' area could contain up to 200 acres for open space, Commissioner Mueller said, but should be included in the Master Plan.

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As to other items in the staff recommendations, the Commissioners suggested:

- using a modified LESA model, simplifying it
- simplify the process by requiring conversion of all ag land to pay an open space impact fee

Discussion then turned to the Sports/Recreation/Leisure component of the recommendation.

Commissioner Tanda declared he was supportive of the recommendation as presented.

Commissioner Davenport observed that he had not heard anyone objecting to the Sports/Recreation/Leisure recommendation and was also supportive.

Commissioner Mueller went into lengthy discussion of the need to reserve areas near the freeway for businesses which could make sure the City was able to benefit fiscally by drawing as many people off the freeway as possible for tax revenue. He stressed the need for adding some intent language to the ordinance for freeway visibility.

As an alternative to the various staff-proposed ag options, the Commissioners indicated support for having staff look at an open space buffer from the freeway east and a (smaller) ag buffer area on part of the Chiala property. CDD Molloy Previsich agreed to include this as a studied option.

As Commissioners wished to receive testimony from a member of the audience, Commissioner Mueller re-opened the public hearing.

Gordon Jacoby, 6114 LaSalle #348, Oakland, presented a conceptual plan for a recreation-resort at the Tennant Avenue interchange. Mr. Jacoby said the use needed to be adjacent to the freeway because of the following:

- Needs to be easy to find; highly visible and accessible
- Easily recognized branding (people are influenced by familiar brands, including those associated with recreation)

Mr. Jacoby also stressed that revenues for this type of recreational facility will be much greater than any possible sales tax.

Noting no others present to speak to the matter, the public hearing was closed.

Commissioner Mueller thanked the participants who had shown interest in the matter, and then reminded, "We have not yet made any final decisions. That will come in the future. Notice of public hearings concerning the SEQ will be posted and sent.

ANNOUNCEMENTS: CDD Molloy Previsich advised that the City Council had discussed and considered the Habitat Conservation Plan, and accepted all of the recommendations from the Planning Commission.

ADJOURNMENT: The meeting was adjourned at 10:47 p.m. by Chair Mueller, who noted that there was no further business to come before the Commissioners on this date.

PLANNING COMMISSION MEETING MINUTES

APRIL 22, 2008

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MINUTES RECORDED AND PREPARED BY:

JUDI H. JOHNSON, Minutes Clerk